



U.S. Department  
of Transportation  
**Federal Highway  
Administration**

# Notice

Subject:

**DISTRIBUTION OF FEDERAL-AID HIGHWAY PROGRAM OBLIGATION  
LIMITATION FOR THE PERIOD BEGINNING ON OCTOBER 1, 2017,  
AND ENDING ON MARCH 23, 2018**

Classification Code	Date	Office of Primary Interest
N4520.252	February 22, 2018	HCFB-10

1. **What is the purpose of this Notice?** This Notice is to advise the States of the distribution of the limitation on Federal-aid highway program obligations pursuant to the Continuing Appropriations Act, 2018, Public Law (Pub. L.) 115-56, as amended by the Further Extension of Continuing Appropriations Act, 2018, Pub. L. 115-123. This Notice reflects the distribution of obligation limitation through March 23, 2018.
2. **Does this Notice cancel FHWA Notice 4520.251?** Yes, this Notice cancels FHWA Notice 4520.251, Distribution of Federal-aid Highway Program Obligation Limitation for the Period Beginning on October 1, 2017, and Ending on February 8, 2018, dated February 2, 2018.
3. **What is the overall limitation on obligations, and what provision determines its distribution?**
  - a. Section 101(a) of the Continuing Appropriations Act, 2018, as amended by the Further Extension of Continuing Appropriations Act, 2018, sets an overall limitation on obligations at an annual rate for operations of \$43,266,100,000 for Fiscal Year (FY) 2018. This annual rate for operations is equal to the obligation limitation made available in FY 2017 under the Department of Transportation Appropriations Act, 2017, title I of division K, Pub. L. 115-31.
  - b. Section 101(b) of the Continuing Appropriations Act, 2018, as amended by the Further Extension of Continuing Appropriations Act, 2018, applies a reduction of 0.6791 percent to the annual rate for operations, resulting in a reduction of \$293,820,085 (\$43,266,100,000 times 0.6791 percent). The net annual rate for operations after the reduction is \$42,972,279,915.
  - c. The overall pro-rata for the period beginning on October 1, 2017, and ending on March 23, 2018, is 47.67 percent (174 days divided by 365 days). The pro-rata is applied to the distribution of obligation limitation calculated based on the annual rate for operations. Therefore, the total obligation limitation provided by this Notice is \$20,484,885,835 (\$42,972,279,915 times 47.67 percent).

- d. Section 101(a) of the Continuing Appropriations Act, 2018, as amended by the Further Extension of Continuing Appropriations Act, 2018, continues section 120 of the Department of Transportation Appropriations Act, 2017, providing the distribution methodology for the overall limitation on Federal-aid highway program obligations.
- e. Upon the enactment of a full-year appropriations act or a further continuing appropriations act, the distribution of obligation limitation will be revised and additional obligation limitation will be provided as determined under the provisions of such law.
- f. Unless otherwise specified, all obligation limitation is available for 1 fiscal year and will expire at the end of FY 2018.

4. **What funds are exempt from the limitation on obligations?** The obligation limitation does not apply to obligations for projects covered under:

- (1) section 125 of title 23, U.S.C.;
- (2) section 147 of the Surface Transportation Assistance Act of 1978;
- (3) section 9 of the Federal-Aid Highway Act of 1981;
- (4) sections 131(b) and 131(j) of the Surface Transportation Assistance Act of 1982;
- (5) sections 149(b) and 149(c) of the Surface Transportation and Uniform Relocation Assistance Act of 1987;
- (6) sections 1103 through 1108 of the Intermodal Surface Transportation Efficiency Act of 1991;
- (7) section 157 of title 23, U.S.C., as in effect on the day before the date of enactment of the Transportation Equity Act for the 21<sup>st</sup> Century;
- (8) section 105 of title 23, U.S.C, as in effect for fiscal years 1998 through 2004, but only in an amount equal to \$639,000,000 for each of those fiscal years;
- (9) the Federal-aid highway programs for which obligation authority was made available under the Transportation Equity Act for the 21<sup>st</sup> Century or subsequent public laws for multiple years or to remain available until used, but only to the extent that the obligation authority has not lapsed or been used;
- (10) section 105 of title 23, U.S.C., but only in an amount equal to \$639,000,000 for each of fiscal years 2005 through 2012;

- (11) section 1603 of the SAFETEA-LU, to the extent that funds obligated in accordance with that section were not subject to a limitation on obligations at the time at which the funds were initially made available for obligation; and
- (12) section 119 of title 23, U.S.C., but only in an amount equal to \$639,000,000 prior to sequestration for each of fiscal years 2013 through 2018.

**5. How are the obligation limitation amounts associated with allocated programs determined?**

- a. Obligation limitation is provided for administrative expenses and programs authorized under section 104(a) of title 23, U.S.C., and amounts authorized for the Bureau of Transportation Statistics. Pursuant to section 101 of the Continuing Appropriations Act, 2018, as amended by the Further Extension of Continuing Appropriations Act, 2018, the annual rate for operations for limitation on Federal Highway Administration administrative expenses is \$432,547,000, which is reduced by 0.6791 percent to \$429,609,573 (\$204,794,884 at the pro-rata of 47.67 percent). The annual rate for operations for limitation to be transferred to the Appalachian Regional Commission for administrative activities is \$3,248,000, which is reduced by 0.6791 percent to \$3,225,943 (\$1,537,807 at the pro-rata of 47.67 percent). For the other programs for which funding is authorized under section 104(a) of title 23, U.S.C., and the Bureau of Transportation Statistics, the annualized amount of obligation limitation is equal to the contract authority for each such program.
- b. Obligation limitation is provided for the unobligated balances of contract authority for allocated programs (or for the apportioned Tribal Transportation Program and the Federal Lands Access Program) that are carried over from previous fiscal years and for which obligation limitation had been provided in a previous fiscal year. The annualized amount of obligation limitation is equal to such unobligated balances of contract authority.
- c. The ratio between the remaining annualized amount of obligation limitation and the remaining FY 2018 contract authority subject to obligation limitation is determined. The ratio calculated for FY 2018 under the Continuing Appropriations Act, 2018, as amended by the Further Extension of Continuing Appropriations Act, 2018, is 88.9 percent.
- d. Obligation limitation is distributed for each of the allocated programs (other than those allocated programs for which obligation limitation has already been provided) and for the Tribal Transportation Program and the Federal Lands Access Program. The annualized amount of obligation limitation for

each such program is determined by multiplying the amount of contract authority authorized for FY 2018 by the above ratio. The annualized amount of contract authority authorized that is not provided associated obligation limitation is “lopped off” (deducted), resulting in annualized amounts of contract authority equal to the annualized amounts of obligation limitation available for such programs (except for the Tribal Transportation Program, which is not subject to the “lop off” of contract authority).

- e. The obligation limitation for each of the allocated programs for the period beginning on October 1, 2017, and ending on March 23, 2018, is then determined by multiplying the annualized amount of obligation limitation for each allocated program by the pro-rata of 47.67 percent.

**6. How is the distribution of formula obligation limitation to the States determined?**

- a. After obligation limitation is provided for the allocated programs (and for the Tribal Transportation Program and the Federal Lands Access Program) as described above, the remaining annualized amount of obligation limitation is distributed among the States as formula obligation limitation. The formula obligation limitation is distributed among the States in the proportions that the FY 2018 apportionments subject to the obligation limitation for each State bear to the total FY 2018 apportionments subject to the obligation limitation for all States.
- b. The formula obligation limitation available for the period beginning on October 1, 2017, and ending on March 23, 2018, is then determined by multiplying the annualized amount of formula obligation limitation for each State by the pro-rata of 47.67 percent.
- c. The attached Table 1 shows the amount of formula obligation limitation distributed to each State for the period beginning on October 1, 2017, and ending on March 23, 2018 (174 days) net of any obligation limitation associated with transfer penalty funding or set aside under the high risk rural roads special rule (see paragraphs 7 and 9 of this Notice below).

**7. Is there any obligation limitation associated with transfer penalty funds?**

- a. Yes, obligation limitation is associated with transfer penalty funds for those States that failed to meet the provisions of section 154 of title 23, U.S.C. (Open Container Requirements) or section 164 of title 23, U.S.C. (Minimum Penalties for Repeat Offenders for Driving While Intoxicated or Driving Under the Influence) for FY 2018 as determined by the National Highway Traffic Safety Administration.

- b. Along with the transfer penalty funds under section 154 and section 164 of title 23, U.S.C., the associated obligation limitation will be reserved and then released for use on eligible Highway Safety Improvement Program activities under section 148 of title 23, U.S.C., or transferred to the State's safety program under section 402 of title 23, U.S.C.
  - c. The annualized amount of obligation limitation associated with the transfer penalty funds is determined by multiplying the amount of the transfer penalty funds by the ratio of a State's annualized formula obligation limitation to that State's apportionments subject to the obligation limitation.
  - d. The obligation limitation associated with transfer penalty funds for the period beginning on October 1, 2017, and ending on March 23, 2018, is then determined by multiplying the annualized amount of obligation limitation associated with transfer penalty funds for each State by the pro-rata of 47.67 percent.
  - e. The amounts of transfer penalty funds for FY 2018 and associated obligation limitation for the period beginning on October 1, 2017, and ending on March 23, 2018 (174 days) are shown in Table 2.
8. **How is the distribution of the obligation limitation affected by a penalty that requires that funds be withheld from apportionment to a State, such as required by 23 U.S.C. 159?** The formula obligation limitation associated with any funds withheld from apportionment due to such a penalty is distributed to the States pursuant to the Continuing Appropriations Act, 2018, as amended by the Further Extension of Continuing Appropriations Act, 2018. See paragraph 6 for how obligation limitation is distributed to the States.
9. **Is there any obligation limitation set aside under the special rule for high risk rural roads?**
- a. Section 148(g)(1) of title 23, U.S.C., contains a special rule for high risk rural road safety. The special rule requires that, if the fatality rate on rural roads in a State increases over the most recent 2-year period for which data are available, the State must obligate during the next fiscal year for projects on high risk rural roads an amount at least equal to 200 percent of its FY 2009 high risk rural roads set-aside.
  - b. The requirement to obligate such amounts during the next fiscal year is implemented by a set-aside of both Highway Safety Improvement Program funds and, on an annualized basis, an equal amount of associated obligation limitation.
  - c. The obligation limitation associated with the high risk rural road safety special rule for the period beginning on October 1, 2017, and ending on March 23, 2018, is then determined by multiplying the annualized amount

of obligation limitation associated with the high risk rural road safety special rule for each State by the pro-rata of 47.67 percent.

- d. The amounts of high risk rural roads special rule funds for FY 2018 and associated obligation limitation for the period beginning on October 1, 2017, and ending on March 23, 2018 (174 days) are shown in Table 3.

10. **What other provisions apply that are related to the distribution of obligation limitation?**

- a. Contract authority for transportation research programs under chapter 5 of title 23, U.S.C., or title VI of the Fixing America's Surface Transportation Act is subject to obligation limitation that remains available for a period of 4 fiscal years. Obligation limitation made available for transportation research in future fiscal years will be in addition to amounts made available for FY 2018.
- b. The amounts of contract authority "lopped off" from the allocated programs and the Federal Lands Access Program due to the imposition of the obligation limitation will be redistributed to the States. The redistribution will be provided via a separate notice to be issued no later than 30 days after the distribution of the obligation limitation.
- c. After August 1, 2018, the Secretary will revise the distribution of obligation authority made available if a State does not plan to obligate the amount distributed during FY 2018 and redistribute such amount to those States able to obligate amounts in addition to those previously distributed during FY 2018. Procedures for this process (known as August Redistribution) will be provided via a separate notice to be issued in July.

11. **What action is required?** Division Administrators should ensure that copies of this Notice are provided to the State departments of transportation.

  
Brandye L. Hendrickson  
Acting Administrator

Attachments

U. S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION

OBLIGATION LIMITATION DISTRIBUTION FOR THE PERIOD BEGINNING  
ON OCTOBER 1, 2017, AND ENDING ON MARCH 23, 2018, UNDER  
THE CONTINUING APPROPRIATIONS ACT, 2018, AS AMENDED

STATE	Formula Obligation Limitation <sup>1</sup>
ALABAMA	333,028,584
ALASKA	210,309,610
ARIZONA	321,503,474
ARKANSAS	222,215,567
CALIFORNIA	1,582,676,648
COLORADO	228,750,458
CONNECTICUT	216,198,967
DELAWARE	72,760,605
DISTRICT OF COLUMBIA	70,107,202
FLORIDA	831,658,791
GEORGIA	564,171,244
HAWAII	71,141,800
IDAHO	125,619,920
ILLINOIS	621,966,429
INDIANA	409,436,418
IOWA	215,759,315
KANSAS	165,912,931
KENTUCKY	290,310,220
LOUISIANA	294,251,145
MAINE	73,786,163
MARYLAND	264,161,179
MASSACHUSETTS	265,979,279
MICHIGAN	462,658,271
MINNESOTA	280,213,540
MISSISSIPPI	207,577,397
MISSOURI	406,372,315
MONTANA	175,535,481
NEBRASKA	126,926,205
NEVADA	158,905,752
NEW HAMPSHIRE	72,593,248
NEW JERSEY	439,025,548
NEW MEXICO	156,769,034
NEW YORK	738,158,120
NORTH CAROLINA	458,094,944
NORTH DAKOTA	109,035,771
OHIO	564,132,667
OKLAHOMA	272,153,095
OREGON	214,694,990
PENNSYLVANIA	718,125,646
RHODE ISLAND	93,978,146
SOUTH CAROLINA	293,962,853
SOUTH DAKOTA	121,153,077
TENNESSEE	363,025,397
TEXAS	1,598,980,499
UTAH	148,520,583
VERMONT	87,258,170
VIRGINIA	435,256,818
WASHINGTON	289,921,184
WEST VIRGINIA	191,890,026
WISCONSIN	330,418,625
WYOMING	107,580,105
<b>SUBTOTAL</b>	<b>17,074,623,456</b>
Allocated Programs	3,200,152,730
Sections 154 and 164 Penalties	190,710,199
High Risk Rural Roads Special Rule	19,399,450
<b>TOTAL</b>	<b>20,484,885,835</b>

<sup>1</sup> The distribution of formula obligation limitation has been calculated based on the FY 2018 apportionments subject to obligation limitation net of any penalty funds withheld from apportionment and lapsed immediately for a State under section 159 of title 23, U.S.C.

U. S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION

PENALTY FUNDS AND ASSOCIATED OBLIGATION LIMITATION FOR THE PERIOD  
BEGINNING ON OCTOBER 1, 2017, AND ENDING ON MARCH 23, 2018, FOR PENALTY  
PROVISIONS UNDER SECTIONS 154 AND 164 OF TITLE 23, UNITED STATES CODE

STATE	TOTAL SECTIONS 154 & 164 PENALTY FUNDS	OBLIGATION LIMITATION FOR PENALTIES
ALABAMA	0	0
ALASKA	22,449,672	9,516,663
ARIZONA	0	0
ARKANSAS	11,991,434	5,083,301
CALIFORNIA	75,079,552	31,827,051
COLORADO	11,592,970	4,914,388
CONNECTICUT	10,788,802	4,573,492
DELAWARE	3,706,057	1,571,038
DISTRICT OF COLUMBIA	0	0
FLORIDA	0	0
GEORGIA	0	0
HAWAII	7,475,048	3,168,756
IDAHO	0	0
ILLINOIS	0	0
INDIANA	21,433,575	9,085,929
IOWA	0	0
KANSAS	0	0
KENTUCKY	0	0
LOUISIANA	32,671,340	13,849,742
MAINE	4,104,915	1,740,119
MARYLAND	0	0
MASSACHUSETTS	0	0
MICHIGAN	0	0
MINNESOTA	14,645,358	6,208,329
MISSISSIPPI	11,206,289	4,750,469
MISSOURI	21,852,922	9,263,695
MONTANA	9,369,530	3,971,847
NEBRASKA	0	0
NEVADA	0	0
NEW HAMPSHIRE	0	0
NEW JERSEY	0	0
NEW MEXICO	8,431,917	3,574,383
NEW YORK	0	0
NORTH CAROLINA	0	0
NORTH DAKOTA	0	0
OHIO	58,691,082	24,879,798
OKLAHOMA	14,757,694	6,255,950
OREGON	11,350,472	4,811,591
PENNSYLVANIA	0	0
RHODE ISLAND	4,913,360	2,082,828
SOUTH CAROLINA	0	0
SOUTH DAKOTA	6,378,811	2,704,048
TENNESSEE	19,118,295	8,104,456
TEXAS	0	0
UTAH	7,881,881	3,341,217
VERMONT	4,498,962	1,907,159
VIRGINIA	22,734,082	9,637,228
WASHINGTON	15,082,868	6,393,794
WEST VIRGINIA	0	0
WISCONSIN	0	0
WYOMING	11,625,090	4,928,004
SUBTOTAL	443,831,978	188,145,275
Puerto Rico	6,052,400	2,564,924
TOTAL	449,884,378	190,710,199

NOTE: Puerto Rico Highway Program is an allocated program and is not treated as an apportionment to the States.



U. S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION

HIGH RISK RURAL ROADS (HRRR) SPECIAL RULE FUNDS AND ASSOCIATED  
OBLIGATION LIMITATION FOR THE PERIOD BEGINNING ON OCTOBER 1, 2017, AND ENDING  
ON MARCH 23, 2018, PURSUANT TO SECTION 148(g)(1) OF TITLE 23, UNITED STATES CODE

STATE	TOTAL HRRR SPECIAL RULE FUNDS	OBLIGATION LIMITATION FOR HRRR SPECIAL RULE
ALABAMA	0	0
ALASKA	900,000	429,030
ARIZONA	0	0
ARKANSAS	0	0
CALIFORNIA	0	0
COLORADO	2,826,084	1,347,194
CONNECTICUT	0	0
DELAWARE	0	0
DISTRICT OF COLUMBIA	0	0
FLORIDA	0	0
GEORGIA	6,299,452	3,002,949
HAWAII	0	0
IDAHO	0	0
ILLINOIS	6,048,546	2,883,342
INDIANA	0	0
IOWA	0	0
KANSAS	0	0
KENTUCKY	2,879,986	1,372,889
LOUISIANA	0	0
MAINE	0	0
MARYLAND	0	0
MASSACHUSETTS	2,273,676	1,083,861
MICHIGAN	0	0
MINNESOTA	0	0
MISSISSIPPI	0	0
MISSOURI	0	0
MONTANA	1,389,760	662,499
NEBRASKA	0	0
NEVADA	1,487,814	709,241
NEW HAMPSHIRE	0	0
NEW JERSEY	0	0
NEW MEXICO	1,887,424	899,735
NEW YORK	0	0
NORTH CAROLINA	0	0
NORTH DAKOTA	0	0
OHIO	0	0
OKLAHOMA	0	0
OREGON	0	0
PENNSYLVANIA	5,766,894	2,749,079
RHODE ISLAND	0	0
SOUTH CAROLINA	0	0
SOUTH DAKOTA	0	0
TENNESSEE	0	0
TEXAS	0	0
UTAH	1,331,318	634,639
VERMONT	0	0
VIRGINIA	4,459,774	2,125,974
WASHINGTON	3,144,572	1,499,018
WEST VIRGINIA	0	0
WISCONSIN	0	0
WYOMING	0	0
TOTAL	40,695,300	19,399,450